Sustainable Resource Development

BUSINESS PLAN 2009-12

ACCOUNTABILITY STATEMENT

The business plan for the three years commencing April 1, 2009 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions at March 12, 2009 with material economic or fiscal implications of which I am aware, have been considered in preparing the business plan.

The Ministry's priorities outlined in the business plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this business plan.

Ted Morton, *Minister of Sustainable Resource Development*
March 19, 2009

THE MINISTRY

As the province's primary manager of public lands, forests, fish and wildlife, the Ministry of Sustainable Resource Development works with industries, communities and Albertans to provide integrated resource policy, allocate resources and assure resource stewardship. The Ministry consists of the Department of Sustainable Resource Development and the Natural Resources Conservation Board. The Ministry also includes the Surface Rights Board and the Land Compensation Board, which are included in the department's consolidated financial statements for reporting purposes. The Ministry is also responsible for the Environmental Protection and Enhancement Fund.

VISION

Alberta's lands, forest, fish and wildlife benefit present and future Albertans.

MISSION

Sustainable Resource Development encourages balanced and responsible use of Alberta's natural resources through the application of leading practices in management, science and stewardship.

LINK TO THE GOVERNMENT OF ALBERTA STRATEGIC BUSINESS PLAN

Government of Alberta Goal 1: Alberta will have a prosperous economy.
Sustainable Resource Development links to this government goal through its work on Alberta's *Land-use Framework* and its efforts to protect the health of Alberta's forests, particularly from mountain pine beetle infestation. Sustainable Resource Development also supports this goal with its many strategies to promote balanced and responsible use of Alberta's land, forests, fish and wildlife to sustain them for future generations and support economic development.

Government of Alberta Goal 3: The high quality of Alberta's environment will be sustained.
Sustainable Resource Development links to this government goal through its work in leading Government of Alberta efforts to conserve biological diversity and enable sound management of Alberta's natural resources on a sustainable basis.

Government of Alberta Goal 7: Alberta will be a safe place to live, work and raise families.
Sustainable Resource Development links to this government goal by protecting Alberta's forests and forest communities from wildfires and safeguarding Albertans and their property from dangerous encounters with wildlife.

Government of Alberta Priorities
Sustainable Resource Development will work with other ministries to achieve the following government priorities:

- *Ensure Alberta's energy resources are developed in an environmentally sustainable way.*
- *Enhance value-added activity, increase innovation, and build a skilled workforce to improve the long-term sustainability of Alberta's economy.*

SIGNIFICANT OPPORTUNITIES AND CHALLENGES

Maintaining Alberta's economy over the long-term is the direct result of the sustainable management of the province's natural resources. This management requires balance among the environmental, economic and social benefits Albertans receive from these resources.

Alberta's Land in Demand: Alberta's rapid growth in population and economic activity has placed unprecedented pressure on landscapes, generating a range of land-use challenges. Going forward, there is a need to balance outcomes for agriculture, housing, energy and industrial development, transportation and utilities, tourism and recreation, natural areas and parks, and habitat for wildlife. While our land, water and air management processes and systems have worked in the past, an updated approach is needed for managing our land, resources and natural environment, for our lifetime and for future generations. Providing industry and stakeholders with timely and relevant information has also become more challenging. There is a widening gap between the demand for knowledge and information, and the availability of current, relevant data. The *Land-use Framework* has been developed to address these issues. It sets out an approach to manage public and private lands and natural resources to achieve Alberta's long-term environmental, economic and social goals.

Environment Continues as High Priority: Maintaining a healthy environment and encouraging stewardship are important considerations for Albertans today and in future generations. Balancing different interests in the delivery of the Ministry's core businesses makes the pursuit of shared environmental outcomes critical to our success. Of particular interest are issues of land use, water quantity and quality, managing growth and adapting to environmental changes.

New Energy Technology: The Ministry will continue to work with Alberta Advanced Education and Technology in the pursuit of research needed to respond to new technology and provide opportunities for improved use of Alberta's natural resources. Alberta's wind power industry wants to harness the wind by locating equipment on public land, and the Ministry needs to assess the potential impact on wildlife and sensitive native grasslands before allowing this land use. The Ministry also needs to provide guidance and expertise to assist with the challenges facing Alberta's forest industry in generating new markets for value-added products that use timber harvested on Crown land. And, there's a growing market for environmentally sustainable technology that will drive innovation and develop new bio-energy sources (e.g., cellulosic ethanol).

Technology Improvements: Continuing advances in information technology provide greater access to information, improvements in efficiency, and more opportunities to engage Albertans online. Sustainable Resource Development continues to modernize its information technology for managing land use, making broad decisions, and engaging Albertans in consultation. Significant efficiencies were achieved through a pilot Mobile Office Initiative that provided rugged laptop computers for use in the field. This equipment allows Ministry staff to make better, timelier decisions on appropriate use of natural resources, because they have up-to-date information when and where they need it. Another example of advancing information technology is the development of the AlbertaRELM (recreation licence management) and My Wild Alberta websites that provide regulations, licences, and information for hunting, fishing, and trapping enthusiasts.

Technology and capability to present information using the Internet in multimedia formats has vastly improved and the Ministry is taking advantage of this. Albertans are also more computer savvy and expect up-to-date information as well as high-quality graphics and visual presentations. Sustainable Resource Development is committed to using the Internet as a key tool to deliver accurate and timely content as well as develop new information products through its websites. This will include updates to and the addition of: information, maps, images, photographs, graphics and multimedia materials that include audio, video and interactive components.

Environmental Trends: Mountain pine beetles continue to threaten Alberta's pine forests and the viability of its forest-based communities and industries. Sustainable Resource Development is continuing its policy of strategic management to protect the numerous environmental, economic and social values of Alberta's forests (e.g., recreational opportunities, community sustainability, the forest industry, forest health, watersheds, and fish and wildlife habitat), reduce the risk of catastrophic wildfires in beetle-infested areas, and minimize the eastern spread of the beetle in the boreal forest. Outbreaks of pests and diseases, such as spruce budworm and chronic wasting disease, also require management strategies. Natural environmental conditions that may impact forest health and biodiversity are not completely controllable, and the Ministry will increasingly need to adapt its planning and management approaches to minimize negative consequences.

Forest Industry Sustainability: Alberta's forestry sector continues to face economic challenges. This sector will be challenged to improve global competitiveness, increase value-added opportunities, and establish innovative products from the evolving bio-industry. This diversification of Alberta's forest industry will help improve both industry and community sustainability.

Habitat at Risk: The Ministry is challenged in maintaining terrestrial and aquatic habitat for animals that people want on the landscape, because of development, the demand for water removal for other uses, the encroachment of invasive species, and the effects of climate change. This is creating additional challenges when species become at risk for survival. Currently, the demand for some wild populations exceeds their capacity to satisfy this demand in a sustainable manner, so users face additional restrictions.

Aboriginal Consultation: Many decisions and activities undertaken by Sustainable Resource Development to manage Alberta's forests, lands, and fish and wildlife may require consultation with First Nations. The Ministry is committed to consulting with First Nations in accordance with the Government of Alberta's First Nations Consultation Policy on Land Management and Resource Development that was approved on May 16, 2005, and its associated guidelines. Consultation processes continue to be incorporated into all Ministry business to ensure that Sustainable Resource Development is discharging its legal duty to consult with First Nations.

Building Organizational Capacity: Whether retaining senior staff or hiring seasonal workers such as those for wildfire or mountain pine beetle operations, Sustainable Resource Development faces recruitment and retention challenges similar to other employers in this province requiring specialized skills.

STRATEGIC PRIORITIES 2009-12

After reviewing the Ministry's challenges and opportunities, the following strategic priorities were identified in addition to the important, ongoing core businesses the Ministry delivers.

GREENING OUR GROWTH

1.	**Land use** **Linkage:** **Goals 1, 2, 3, 4 and 5**	Implement Alberta's *Land-use Framework*, focusing initially on the development of regional plans for the South Saskatchewan and Lower Athabasca regions, and establishing enabling legislation, as well as development of improved integrated information management systems to manage the status and use of land in the province.

CREATING AND PROTECTING OUR OPPORTUNITIES

2.	**Forest industry sustainability** **Linkage:** **Goals 1, 2, 3, and 4**	Strengthen the competitiveness of the forestry sector by working with industry to identify options to improve the long-term viability of the sector by ensuring healthy working forests.

CORE BUSINESSES, GOALS, STRATEGIES & PERFORMANCE MEASURES

Core Business One: Lands

The Ministry manages the demands of multiple stakeholders who use Alberta's public lands by integrating planning and best-management practices to sustain the benefits Albertans receive from their natural resources and public lands.

GOAL ONE 1 Land use in Alberta enhances quality of life by achieving Alberta's environmental, economic, and social goals

What it means

Alberta's *Land-use Framework* provides clear direction for managing land, air, water and biodiversity. It is based on environmental, economic and social outcomes that guide planning, decision-making and management of land and natural resources in regions. The Ministry is establishing regional planning processes and coordinating the development of regional land-use plans.

Strategies

1.1 Implement Alberta's *Land-use Framework* to establish the approach to managing public and private lands and natural resources (Ministry-wide initiative).

1.2 Establish a Land-use Secretariat to coordinate implementation of the *Land-use Framework* and seven Regional Advisory Councils to provide advice on regional plans.

1.3 Develop land-use plans for seven regions.

1.4 Establish and implement an information, monitoring and knowledge system to contribute to the continuous improvement of land-use planning and decision-making.

Performance Measure Under Development:
A new measure called a regional planning indicator will be used to measure the number of regional plans developed in support of the *Land-use Framework*. The Ministry is targeting to complete two plans by March 31, 2010, followed by another two plans by March 31, 2011, followed by the remaining three plans by March 31, 2012, for a total of seven regional plans in all.

GOAL TWO 2 Alberta's public lands, including rangelands and shorelands, are managed to remain healthy, productive and sustainable

What it means

The Ministry manages Alberta's public lands to optimize their benefits to meet current and long-term objectives that align with Albertans' environmental, economic, and social values. Sound land allocation decisions integrate and balance diverse land uses including: energy development, commercial and forest operations, livestock grazing, recreation, and other activities, taking into account environmental factors such as watershed capacity, natural biodiversity, and soil and wildlife habitat conservation.

To manage public land effectively, Sustainable Resource Development:

- creates and implements policies and programs;
- develops and enforces legislation;
- approves land use and monitors compliance with all requirements;
- supports sustainable land management practices and decisions through coordinated inventories, knowledge transfer and research;
- consults and collaborates with Aboriginals;
- consults and collaborates with stakeholders; and
- provides public information and outreach programs that promote stewardship and responsible use.

Strategies

2.1 Design and put into place integrated land management tools that enable and support the *Land-use Framework*.

2.2 Develop innovative approaches to fulfill Sustainable Resource Development's role in reviewing and approving land-use projects underway.

2.3 Deliver on the goals and strategies that relate to the Ministry's core businesses in support of the Government of Alberta's plan for the oil sands: *Responsible Actions – A Plan for Alberta's Oil Sands*.

2.4 Ensure land is reclaimed in a manner that recognizes ecological balance and restores productivity.

2.5 Work with Environment, Energy, and the Energy Resources Conservation Board to address upstream oil and gas sector policy gaps, overlaps, and inconsistencies, in order to complete detailed design and implementation of an integrated regulatory delivery system for the upstream oil and gas sector.

Performance Measures	Last Actual 2007-08	Target 2009-10	Target 2010-11	Target 2011-12
2.a **Timely, Efficient Disposition Decisions**				
• Average number of working days for completing geophysical approvals	10.7	<10	<10	<10
2.b **Public Rangeland Allocation**				
• Animal unit months[1] allocated (millions)	1.72	1.6	1.6	1.6
2.c **Rangeland Sustainability**				
• Percentage of rangeland leases in good standing	90%	90%	90%	90%

Notes:

1 An animal unit month is defined as the amount of forage required to feed one animal unit (one cow with calf at side) for 30 days. This amount is approximately 1,000 pounds of forage dry matter.

2 Exceeding the target for this measure is positive because this demonstrates that more public lands are being made available for livestock grazing than expected. This means public lands are being better shared among agricultural, recreational and industrial users.

Core Business Two: Forestry

The Ministry provides leadership and guidance to ensure the multiple benefits received from the province's forests, including biodiversity and watershed capacity, are realized by using the best possible forest management, wildfire management and forest industry practices.

GOAL THREE 3 Alberta's forests and landscapes are managed to control wildfire, to sustain healthy ecosystems and to support healthy communities

What it means

The Ministry protects the multiple benefits received from the province's forests and landscapes by managing forests to ensure long-term health and sustainability.

To manage Alberta's forests effectively, Sustainable Resource Development:

- creates and implements leading science, technology, policies and programs;
- develops, maintains and enforces legislation and standards;
- monitors forest resource use;
- consults and collaborates with Aboriginals;
- consults and collaborates with stakeholders; and
- provides public information and outreach programs that promote stewardship and responsible forest use.

Strategies

3.1 Implement pre-emptive strategies in Alberta's forests to maintain their health and manage infestations of disease, invasive plants and insect pests, such as the mountain pine beetle, in cooperation with industry and municipal and federal governments.

3.2 Provide a wildfire management framework enabling the province to respond to wildfires through a regime that quickly detects, contains and suppresses wildfires within the Forest Protection Area to minimize related losses.

3.3 Work with Advanced Education and Technology to enhance value-added activity and increase innovation in the forest industry to improve the long-term sustainability of Alberta's economy.

3.4 Implement Alberta's response to the Forest Industry Sustainability Committee's recommendations to enhance the forest industry business model.

3.5 Support practices to diversify forest age classes to reduce forest susceptibility to disease and wildfire.

Performance Measures	Last Actual (year)	Target 2009-10	Target 2010-11	Target 2011-12
3.a **Timber Allocation**[1]				
• Gap between harvest and annual allowable cut remains positive	4[2] (2006-07)	Harvest does not exceed annual allowable cut		
3.b **Containment and Suppression**				
• Wildfires contained within first burning period[3]	97% (2007-08)	Average of past five years' results		

Notes:
1 Data for this measure is calculated as a five-year rolling average based on the timber year (May to April).
2 Units are in million cubic metres.
3 First burning period means contained by 10 a.m. the day following detection. Performance data is based on wildfires occurring between April 1 and October 31 in the Forest Protection Area.

Core Business Three: Fish and wildlife

The Ministry manages fish and wildlife species based on the best available science and integrated decision-making processes. The sound stewardship of fish and wildlife resources facilitates consumptive (fishing and hunting) and non-consumptive recreation opportunities compatible with healthy, diverse fish and wildlife populations.

GOAL FOUR 4 Alberta's fish and wildlife resources and their habitats are healthy, productive and sustainable

What it means

The Ministry monitors, assesses and manages Alberta's fish and wildlife resources to optimize their benefits and maintain sustainable populations, while meeting current and long-term objectives that align with Albertans' environmental, economic and social values. Fish and wildlife populations are managed to minimize conflict with humans and conserve species at risk. Sound decisions to manage fisheries and wildlife habitat support diverse uses including domestic, recreation and commercial activities.

To manage fish and wildlife effectively, Sustainable Resource Development:

- creates and implements policies and programs;
- develops and enforces legislation;
- monitors population and habitat, and imposes conditions on their use;
- consults and collaborates with Aboriginals;
- consults and collaborates with stakeholders; and
- provides public information and outreach programs that promote stewardship and responsible use.

Strategies

4.1 Enhance population status assessments to improve current information so it meets the needs of multiple initiatives underway in government (e.g., *Land-use Framework*).

4.2 Advance implementation of the renewed *Water for Life* strategy to sustain and protect Alberta's aquatic ecosystems (Ministry-wide initiative).

4.3 Finalize and implement key actions from the Biodiversity Action Plan to enhance biodiversity management and stewardship in Alberta (Ministry-wide initiative).

4.4 Implement strategies to manage threats from invasive alien species and wildlife diseases, in cooperation with provincial and federal governments and stakeholders.

4.5 Enhance programs that mitigate the negative effects of human-wildlife interactions that result in threats to human safety and property damage.

4.6 Encourage leading practices in biodiversity preservation (including grizzly bear and caribou), habitat conservation, and stewardship through expanded partnerships with landowners (e.g., Recreation Access Management Program), conservation agencies, industry, government and academia (e.g., MULTISAR, a voluntary program in which multiple agencies work on conserving multiple species at risk).

Performance Measure	Last Actual 2005	Target 2009-10	Target 2010-11	Target 2011-12
4.a **Healthy Sustainable Wildlife Populations**				
• Percentage of species at risk[1]	2.2%	<5%	<5%	<5%

Note:
1 National results every five years.

Core Business Four: Quasi-judicial land-use and compensation decisions

Reporting to the Minister of Sustainable Resource Development, the Ministry's three quasi-judicial boards make their decisions independently, in accordance with their own governing legislation. The Natural Resources Conservation Board conducts independent public reviews of major, non-energy, natural resource projects and also regulates Alberta's confined feeding operations. The Surface Rights Board conducts hearings when operators and landowners or occupants fail to agree on entry or compensation related to resource activity on privately owned lands or occupied public lands. The Land Compensation Board establishes compensation when private land is expropriated by a public authority for projects in the public interest.

GOAL FIVE 5 Natural Resources Conservation Board reviews and hearings result in balanced decisions and are conducted in a manner that is effective, fair and transparent

What it means

The Natural Resources Conservation Board conducts reviews of proposed natural resource projects under the *Natural Resources Conservation Board Act* (NRCBA), and hears reviews of approval and enforcement officer decisions under the *Agricultural Operation Practices Act* (AOPA). In all cases, the board conducts its activities respecting the integrity of the administrative process, recognizing that timeliness of reviews is a key element.

NRCBA reviews are conducted on an original application (rather than an existing decision) to determine whether the project or activity is in the public interest, having regard for its environmental, economic and social effects. Reviews are mandated for non-energy mining, forestry, water management, or recreation projects for which an environmental impact assessment is required under the *Environmental Protection and Enhancement Act*. Additional projects may also be referred to the board by order-in-council. NRCBA applications often involve complex reviews and public hearings. Public participants are provided with information sessions and written guide materials to help them prepare for the hearing.

Under AOPA, the board must determine whether to grant a review based on the information provided by affected parties. Where the board determines that a review is warranted, it may refer the matter to mediation before conducting a hearing. Mediated resolutions must uphold the requirements of AOPA.

Strategies

5.1 Coordinate with government partners on the *Water for Life* strategy and *Land-use Framework*, and work closely with government partners to support the delivery of existing and new regulatory processes.

5.2 Proactively provide opportunities for all participants to understand review and hearing processes through guides, public information sessions, and prompt and accurate response to direct inquiries.

5.3 Identify critical issues and determine relevant information needed to ensure review and appeal processes can be conducted effectively, fairly and efficiently.

Performance Measure Under Development:
A new measure combining the results of hearings under the NRCBA and AOPA has been developed to better represent the board's two primary businesses. This measure will provide information on the efficiency of the review process by reporting the percentage of decisions issued within 80 working days of NRCBA reviews, and within 30 working days of AOPA hearings. The Ministry is targeting for 100 per cent of these cases to be decided within the time limits specified.

GOAL SIX

6 Albertans are provided with accessible processes, and timely and fair compensation decisions when private land is expropriated or developed for natural resources

What it means

The Surface Rights Board renders fair and timely decisions on appropriate compensation for third-party access to private lands for resource extraction as a result of landowners, tenants and companies effectively representing their concerns and interests. The Land Compensation Board renders fair and timely decisions on appropriate compensation for property expropriated by a public authority for projects in the public interest.

Strategies

6.1 Deliver timely and fair hearings and decisions within the boards' legislated mandates.

6.2 Implement alternative dispute resolution methods for settling disputes before the Surface Rights Board.

6.3 Improve public education regarding board processes and operations.

Performance Measures	Last Actual 2007	Target 2008	Target 2009	Target 2010
6.a **File Management:** • Increase the number of files heard annually by hearing or mediation	274	5% increase	5% increase	5% increase
6.b **File Disposition:** • Increase the number of decisions issued annually and/or settlement agreements	220	5% increase	5% increase	5% increase

EXPENSE BY CORE BUSINESS
(thousands of dollars)

	Comparable					
	2007-08 Actual	2008-09 Budget	2008-09 Forecast	2009-10 Estimate	2010-11 Target	2011-12 Target
Lands	60,848	82,044	69,920	92,036	91,036	91,416
Forestry	348,108	223,304	363,111	182,205	183,461	172,348
Fish and wildlife	62,407	62,054	62,549	61,962	63,040	63,837
Quasi-judicial land-use and compensation decisions	9,636	9,807	9,807	10,267	10,267	10,267
MINISTRY EXPENSE	480,999	377,209	505,387	346,470	347,804	337,868

MINISTRY STATEMENT OF OPERATIONS
(thousands of dollars)

	Comparable					
	2007-08 Actual	2008-09 Budget	2008-09 Forecast	2009-10 Estimate	2010-11 Target	2011-12 Target
REVENUE						
Transfers from Government of Canada	78,411	31,380	50,248	43,089	16,130	6,774
Investment Income	4,869	5,485	4,504	5,685	5,985	5,985
Premiums, Fees and Licences	107,647	109,882	103,689	112,627	113,331	113,231
Other Revenue	8,940	4,673	5,713	3,981	3,706	3,706
MINISTRY REVENUE	199,867	151,420	164,154	165,382	139,152	129,696
EXPENSE						
Program						
Forestry	324,671	201,673	337,378	162,580	163,673	153,191
Land-use Secretariat	-	7,000	7,000	15,000	15,000	15,000
Lands	55,414	64,680	55,480	64,736	63,831	63,877
Fish and Wildlife	58,205	56,043	58,116	55,289	56,241	56,741
Quasi-judicial Land-use and Compensation Decisions	9,636	9,807	9,807	10,267	10,267	10,267
Ministry Support Services	31,048	34,276	33,876	34,868	35,062	35,062
Environment Statutory Programs	1,434	2,675	2,675	2,675	2,675	2,675
Valuation Adjustments and Other Provisions	591	1,055	1,055	1,055	1,055	1,055
MINISTRY EXPENSE	480,999	377,209	505,387	346,470	347,804	337,868
Gain (Loss) on Disposal and Write Down of Capital Assets	4,202	12,600	4,300	17,500	16,400	16,400
NET OPERATING RESULT	(276,930)	(213,189)	(336,933)	(163,588)	(192,252)	(191,772)

CONSOLIDATED NET OPERATING RESULT

(thousands of dollars)

	Comparable					
	2007-08 Actual	2008-09 Budget	2008-09 Forecast	2009-10 Estimate	2010-11 Target	2011-12 Target
Ministry Revenue	199,867	151,420	164,154	165,382	139,152	129,696
Inter-ministry consolidation adjustments	1,724	-	-	-	-	-
Consolidated Revenue	201,591	151,420	164,154	165,382	139,152	129,696
Ministry Expense	480,999	377,209	505,387	346,470	347,804	337,868
Inter-ministry consolidation adjustments	(1,434)	(2,675)	(2,675)	(2,675)	(2,675)	(2,675)
Consolidated Expense	**479,565**	**374,534**	**502,712**	**343,795**	**345,129**	**335,193**
Gain (Loss) on Disposal and Write Down of Capital Assets	4,202	12,600	4,300	17,500	16,400	16,400
CONSOLIDATED NET OPERATING RESULT	(273,772)	(210,514)	(334,258)	(160,913)	(189,577)	(189,097)

CAPITAL INVESTMENT BY PROGRAM

(thousands of dollars)

	Comparable					
	2007-08 Actual	2008-09 Budget	2008-09 Forecast	2009-10 Estimate	2010-11 Target	2011-12 Target
Forestry	16,622	27,653	38,073	17,191	8,360	8,853
Lands	1,816	4,752	4,752	8,214	6,595	6,102
Fish and Wildlife	600	782	2,057	782	782	782
Quasi-judicial Land-use and Compensation Decisions	19	17	17	17	17	17
Ministry Support Services	851	40	40	40	40	40
MINISTRY CAPITAL INVESTMENT	19,908	33,244	44,939	26,244	15,794	15,794